The Benefit Accuracy Measurement (BAM) program is designed to determine the accuracy of paid and denied claims in three major Unemployment Insurance (UI) programs: regular State UI, Unemployment Compensation for Federal Employees (UCFE), and Unemployment Compensation for Ex-Servicemembers (UCX). State Workforce Agencies (SWAs) select weekly random samples of paid and denied claims. Independent state BAM investigators audit these paid and denied claims to determine whether the claimant was properly paid or properly denied benefits. The results of the BAM statistical samples are used to estimate accuracy rates for the populations of paid and denied claims. The BAM program provides continuous feedback on the state and federal methods of administration.

Based on the errors identified and information gathered through the BAM program, states are able to develop plans and implement corrective actions to improve accurate administration of state law, rules, and procedures. The major objectives of the BAM program are to:

- Assess the accuracy of Unemployment Insurance (UI) payments;
- Estimate the UI improper payment rate as required by Federal Law;
- Promote improvements in payment accuracy and program integrity; and
- Encourage more efficient administration of the UI program.

The basis for determining payment and denial accuracy are federal and state laws, administrative codes and rules, and official policies. The system is designed to be comprehensive in coverage by including all areas of the UI claims processes where errors may occur. As a quality assurance program, BAM is a diagnostic tool for Federal and SWA staff to use in identifying systemic errors and their causes and to correct and track solutions to these problems.

This report is designed to provide information gathered by the BAM program for the performance year (PY) 2021 and offer some analysis of this information. Generally, the performance year for reporting is 12-month period from July 1, Year through June 30, Year+1. For example, for PY 2021, the performance year for reporting is from July 1, 2020 through June 30, 2021.

For PY 2021, this analytical report uses the BAM data for the twelve month period from July 2020 through June 2021 and is aligned with the reporting period used by the UI program in the U.S. Department of Labor's (Department) Agency Financial Report (AFR). In this analytical report, rates are shown at a national level, which is the sum of the 52 SWAs. The SWAs consist of the 50 states, Puerto Rico, and the District of Columbia. Each SWA's data are provided in separate linked documents. The United States Virgin Islands is exempt from operating a BAM program.

Under [20 CFR 602.21(g)](#), the Department's Employment Training Administration (ETA) compiles and releases the BAM program results each year on behalf of the states. The Department accomplishes this requirement by the release of annual results on its Web site: https://www.dol.gov/general/maps and the associated data page https://www.dol.gov/general/maps/data.

[Payment Integrity Information Act (PIIA) of 2019](#) repealed and replaced the Improper Payments Information Act of 2002 and the subsequent statutory amendments (the Improper Payments Elimination and Recovery Act of 2010 and the Improper Payments Elimination and Recovery Improvement Act of 2012)[1]). Like the previous enactments, PIIA requires agencies to examine the risk of erroneous payments in all programs and activities they administer. This Federal law defines the term improper payment as:

    (A) …any payment that should not have been made or that was made in an incorrect amount, including an overpayment or underpayment, under a statutory, contractual, administrative, or other legally applicable requirement; and

    (B) includes—(i) any payment to an ineligible recipient; (ii) any payment for an ineligible good or service; (iii) any duplicate payment; (iv) any payment for a good or service not received, except for those payments where authorized by law; and (v) any payment that does not account for credit for applicable discounts.[2] Agencies (including state and local entities receiving federal funds) are required to review all programs and activities they administer and identify those that may be susceptible to significant erroneous payments. A program automatically becomes 'High-Priority' when its annual reported monetary loss improper payment estimate is greater than or equal to $100,000,000, regardless of the Improper and Unknown Payment rate[3]. The UI program meets this criterion.

With the enactment of PIIA, the Federal [Office of Management of Budget](#) (OMB) published new reporting requirements (https://www.whitehouse.gov/wp-content/uploads/2021/03/M-21-19.pdf), This publication introduces two new categories of payment accuracy classifications of payments: unknown payments and technically improper payments. An unknown payment (UK) is a payment for which a determination cannot be made about whether it is proper or improper. If a program is still conducting research or going through the review of a payment at the time that it must finish sampling and report its results, the payment will be considered an "UK" for reporting purposes that year. These payments contribute to the improper payment rate. A technically improper payment is a payment made to an otherwise qualified recipient in the right amount, but the payment failed to meet all regulatory and/or statutory requirements. An example of this is where the state paid the right claimant the correct amount, but failed to send the claimant required literature on benefits rights and responsibilities.

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[1] These Laws were replaced on March 2, 2020, by [Public Law 116–117](#) which is referred to as ''Payment Integrity Information Act of 2019" (PIIA).

[2] [Appendix C to OMB Circular A-123,issued March 5, 2021,](#)

[3] [Appendix C to OMB Circular A-123, issued March 5, 2021, p. 56](#)

The Office of Unemployment Insurance (OUI) has started planning for the update of the ET Handbook No. 395 and the BAM payment accuracy coding system to accommodate these new codes.

Additionally, PIIA continues the requirement for valid statistical estimates of improper payments such as those generated by the BAM program, and compels actions to reduce improper payments. Since the SWAs make all UI payment decisions, the Department requires SWAs to review their BAM program improper payment estimates and report their planned activities to prevent, detect, reduce, and recover improper payments in an UI Integrity Action Plan (ET Handbook No. 336, see, Appendix V).[4]

The Department provides the overpayment and the underpayment rates to the Office of Management and Budget (OMB) as part of its PIIA[5] reporting. The PIIA PY 2021 includes weekly samples for Batch Range 202027 through 202126. A batch sample set (7 to 9 payments) is selected from the population of payments issued by the state agency during a week. Typically, there are 52 batch weeks in a performance year. It is important that the BAM programs in each SWA accurately measure the level of improper payments in its state so that performance can be properly evaluated against the state and national targets. BAM is a critical tool in assessing improvements in program accuracy and integrity and encouraging more efficient administration of the UI program.

Readers are strongly cautioned that it may be misleading to compare one state's payment accuracy rates with another state's rates. No two states' written laws, regulations, and policies specifying eligibility conditions are identical, and differences in these conditions influence the potential for error. States have developed many different ways to determine monetary entitlement to UI. Additionally, nonmonetary requirements are, in large part, based on how a state interprets and enforces its law. Two states may have identical laws but may interpret them quite differently. (See the 2021 "Comparison of State Unemployment Laws," Note that not all relevant SWA law, rules and written policies may be included in this publication, https://oui.doleta.gov/unemploy/comparison/2020-2029/comparison2021.asp Because the BAM data are based on samples, the estimated improper payment rate is subject to sampling and non-sampling errors. Sampling errors are errors that arise in a data collection process as a result of taking a sample from a population rather than using the whole population. Therefore, integrity rates are shown at a 95 percent confidence level with an interval, expressed as plus or minus percentage points. The actual rate is expected to lie within the interval 95 percent of the time. The rate and intervals are constructed from repeated samples of the same size and selected in the same manner as the BAM sample requires.

Non-sampling errors are errors or biases that arise in a data collection process as a result of factors other than taking a sample. These errors can include, but are not limited to, timeliness of data collection, data entry errors, inappropriate fact-finding, analysis and conclusions completed by state investigators or inaccurate information provided by survey respondents.

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[4] Unemployment Insurance Program Letter (UIPL) No. 29-20 ; and ET Handbook No. 336
[5] U. S. Department of the Treasury PaymentAccuracy.gov Web Page: https://www.paymentaccuracy.gov

UI benefit payments included in the BAM sample for the PIIA 2021 PY was $99.21 billion compared to $20.45 billion IPIA 2020 PY (which excluded March 1,2020 through June 30, 2020 when the BAM program was suspended as a result of the pandemic). In PIIA 2021 BAM paid claims results are based on 22,502 of the 23,018 valid sample cases. This represents a completion rate of 97.76 percent. BAM investigators completed claimant interviews in 18,219 or 80.97 percent of the completed cases. The remaining audits were completed based on information obtained from agency records, the claimants' former employers, and third-party sources, such as labor unions and private employment agencies. As this linked document shows (PIIA_2021_Method_Claimant_Information_Obtained.xlsx in sheet titled "Response & Nonresponse Errors"), investigators are able to identify payment accuracy issues in cases, in which interviews are not completed. This limits nonresponse bias.

The Department's approved improper payment rate computation methodology can be found in UIPL 09-13 Change 1 (issued on January 27, 2015). Corrective action and integrity plans for Fiscal Year (FY) 2023 are based on this computation methodology. PIIA requires an improper payment rate of less than 10 percent for each program and activity for which an estimate was published.

In this report, the Department uses six analytical measures to assess SWA payment accuracy and estimate the risk of erroneous denial of benefits. Individual SWA rates reflect state laws, administrative codes or rules, and policies. National results reflect the 52 SWAs' findings.

The Analytical Measures (Rates):

1. **Overpayment Rate** - The overpayment rate is defined in UIPL No. 09-13, Change 1. It is the total weighted amount of payments determined to be overpaid divided by the weighted dollar amount paid in the BAM sample population. The rate includes fraud, nonfraud recoverable, and nonfraud nonrecoverable overpayments. All causes and responsible parties are included in this rate.

2. **Underpayment Rate** – The underpayment rate is defined in UIPL No. 9-13, Change 1. It is the total weighted amount of payments determined to be underpaid divided by the weighted dollar amount paid in the BAM sample population. All causes and responsible parties are included in this rate. It includes errors where additional payment is made to the claimant. It excludes those errors that are technically proper due to finality rules or technically proper due to rules other than finality.

3. **Improper Payment Rate** – This rate includes UI benefits overpaid plus UI benefits underpaid divided by the total amount of UI benefits paid. Overpayments, underpayments, and total UI benefits paid are estimated from the BAM survey results of paid UI claims in the regular state UI, UCFE, and UCX programs. Overpayments and underpayments determined to be technically proper under state UI law for finality and other reasons are excluded from the measure.

4. **Agency Responsibility Rate** - This rate includes overpayments for which the SWA was either solely responsible or shared responsibility with claimants, employers, or third parties, such as labor unions or private employment referral agencies. The rate includes fraud, nonfraud recoverable overpayments, and nonfraud nonrecoverable overpayments. It excludes payments that are technically proper due to finality or other rules.

5. **Fraud Rate** - The definition of unemployment compensation (UC) fraud varies from state to state – there is no federal definition of fraud in the UC program. Generally, fraud involves a knowing and willful act and/or concealment of material facts to obtain or increase benefits when benefits are not due. However, state definitions of knowing, willful or the concealment of facts vary. States also differ on the implementation of fraud administrative penalty determinations. In some states, a fraud determination becomes effective on the date of the fraudulent act. In other states, the administrative penalty takes effect on the determination date The individual state rates reflect these differences. The rate includes all causes and responsible parties.

6. **Improper Denial Rates** - BAM estimates the percentage of claimants improperly denied benefits. This rate includes three subcategories: monetary denials, separation denials, and nonseparation denials. The BAM program does not assign a dollar estimate to improper denial rates; however, improper denials are corrected when permitted by law. For PIIA 2021, based on operational flexibilities regarding sampling granted SWAs due to the COVID-19 pandemic, ETA will not be publishing improper denial rates for this reporting period (see discussion on page 25).

For a detailed listing of these rates for each state, click on the following link (Please note that excel spreadsheets may have several worksheets or tabs of data): PIIA_2021_Integrity_Rates_All_States.xlsx

I. Paid Claims Accuracy

The Code of Federal Regulations (20 CFR 602) requires states to conclude all findings of inaccuracy as detected through quality control (QC) (now known as BAM) investigations with appropriate official actions in accordance with the applicable State and Federal laws and to classify its findings in benefit payment cases as proper payments, underpayments, or overpayments, and in benefit denial cases as proper or improper denials or underpayments. The classification system for payment accuracy includes seven codes. The classification system for denials includes six codes.

For each paid UI week investigated, referred to as the Key Week (KW), BAM investigators record whether the payment was proper, technically proper or improper. Payment errors on the key week are weighted and used to generate improper payment estimates. The coding of BAM audit findings is required to be consistent with the federal
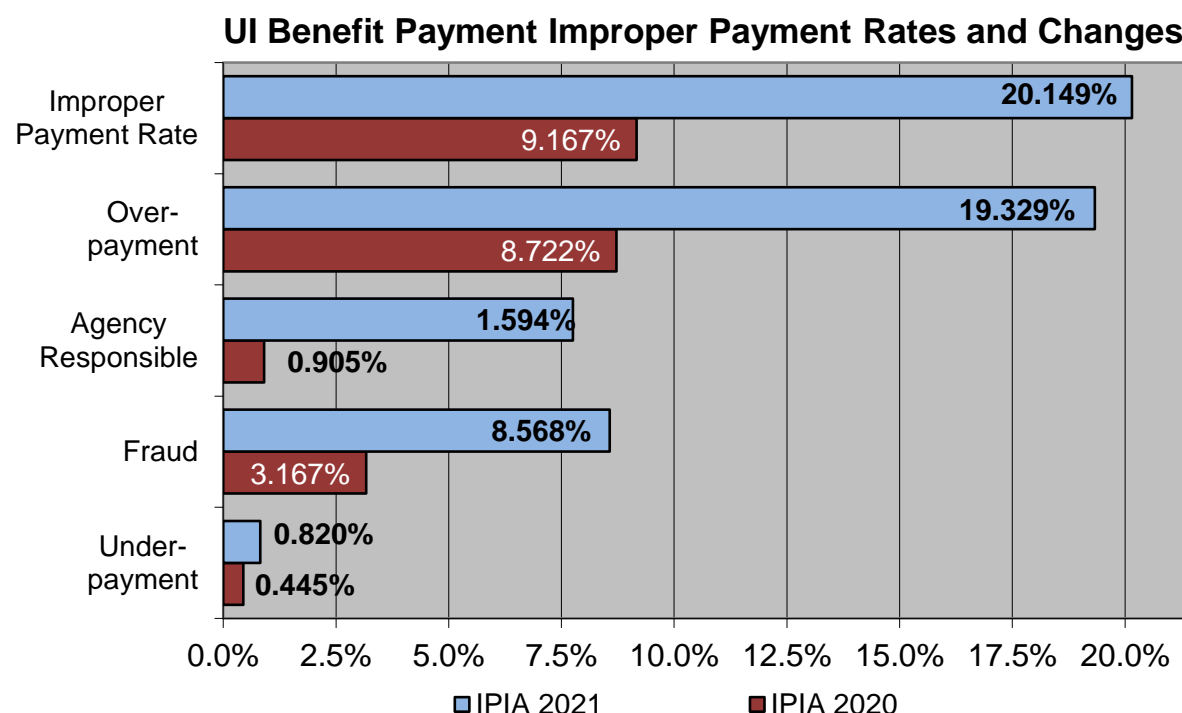
and SWA laws, rules, and written policies[6]. BAM captures 110 data elements for each sampled payment or denial.

The BAM data set includes demographic information and before and after investigation elements for eligibility conditions. Data for nine of these elements are completed only for improper and technically proper payments or erroneous denials. The Department uses these elements to produce the various integrity rates listed. (ET_395_Handbook_5th_Edition_BAM_State_Operations_Guidance).

Each integrity rate represents a different view of the BAM data set. The BAM data construct provides multiple perspectives; and payment errors may be included or excluded for a specific rate (See PIIA_2021_Methodology_and_Program_Description).

The fraud rate and the agency responsible rate are subsets of the overpayment rate. Also, the data structure allows for the development of individual overpayment cause rates, which excludes the impact of other erroneous payments. The chart below summarizes five paid claim accuracy (PCA) rates, which are used for communicating overpayment estimates. The improper payment rate listed in the chart is based on performance data for PIIA 2021. BAM investigators have 120 days from the end of the quarter to complete their audits and record the outcomes; this rate includes these cases, which is why there are variations from the rates reported in the 2021 dataset on paymentaccuracy.gov.

UI Benefit Payment Improper Payment Rates and Changes

	IPIA 2021	IPIA 2020
Improper Payment Rate	20.149%	9.167%
Over-payment	19.329%	8.722%
Agency Responsible	1.594%	0.905%
Fraud	8.568%	3.167%
Under-payment	0.820%	0.445%

◻ IPIA 2021   ◼ IPIA 2020

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[6] Comparison of State Unemployment Laws – Note that not all SWA laws, rules and written policies may be included in this catalog, https://oui.doleta.gov/unemploy/comparison/2020-2029/comparison2021.asp and 20 CFR 602.21(c)(4)
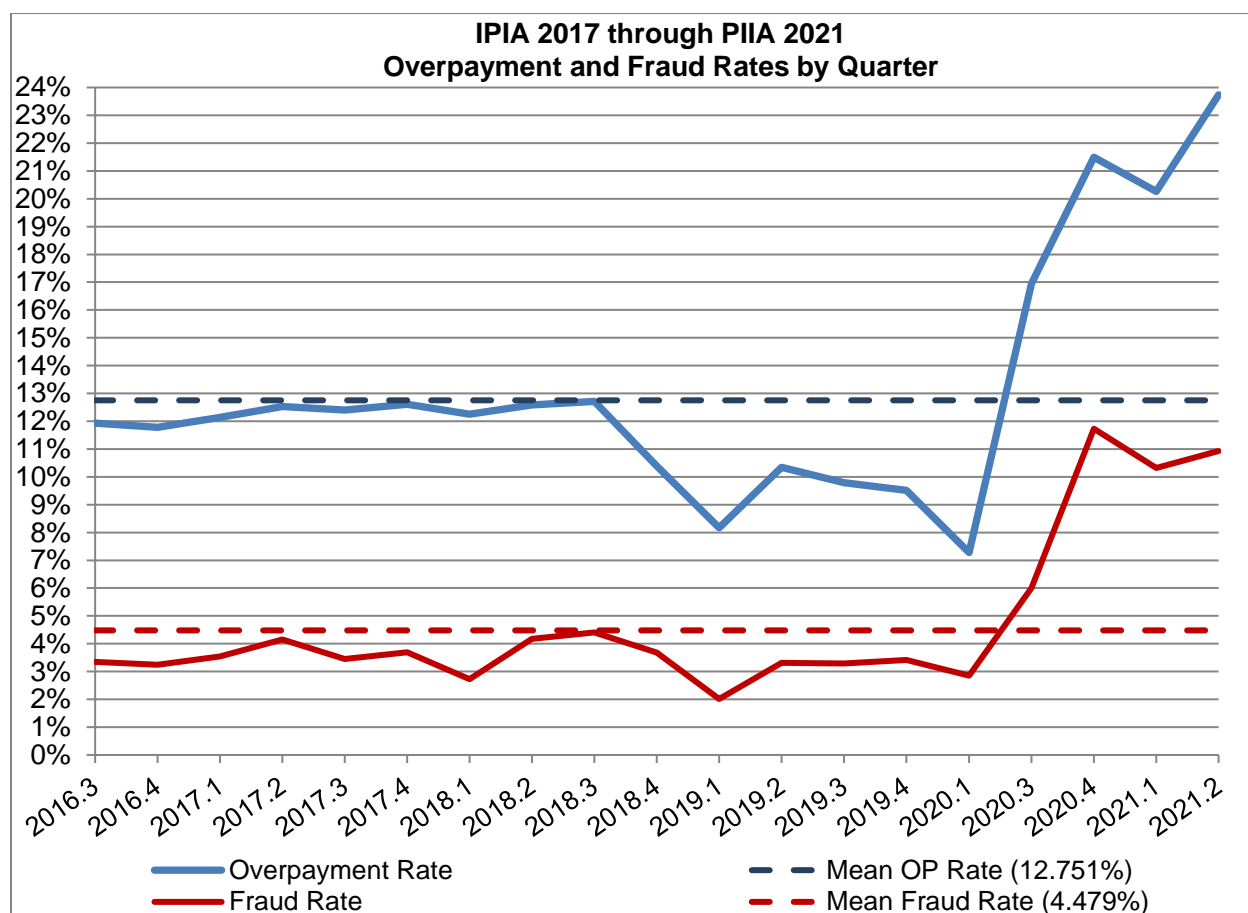
For a detailed listing of these rates for each state, click on the following link (the spreadsheet may have several pages or worksheets): IPIA_2020_-_PIIA_2021_Integrity_Rate_Changes.xlsx

Overpayment Time Series

The following chart displays the overpayment and fraud rates by calendar quarter. For the period IPIA 2017 to PIIA 2021, the average overpayment rate was 12.751 percent.

Reviewers should be aware that state level rates show a higher degree of volatility from one quarter to the next. The quarterly volatility is in part due to the small sample sizes pulled at the state level; the probability of sampling a given number of weeks with payment errors; and seasonal factors. This volatility demonstrates that SWAs should be cautious in making performance assumptions and judging corrective actions effectiveness based on a single calendar quarter of data.

For a detailed listing of these and other rates for each state, click on the following link (note: the spreadsheet may have several pages or worksheets): IPIA_17_PIIA_21_Overpayment_Rate_by_Quarter_&_State.xlsx

Overpayment by Cause and Integrity Rate

UI initial and continuing eligibility requirements are complex and vary across states based on several factors unique to the UI program:

- Benefit payments are limited to weekly benefit amounts, overall maximum benefit amounts, and are restricted to a specific time period (benefit year).
- Claimant turnover is high with finite benefit duration and opportunities to return to employment.
- Eligibility is determined on a week by week basis with each week being an opportunity for a new improper payment. Eligibility and payment decisions are made by state government agencies using state specific information technology (IT) systems.

Errors can occur at any of the process points discussed below.

Federal law establishes certain requirements for the UC program. The Social Security Act (SSA) and the Federal Unemployment Tax Act (FUTA) set broad coverage provisions, some benefit provisions, the Federal tax base and rate, and administrative requirements. One of the major functions of the Federal government is to ensure conformity and substantial compliance[7] of state laws, regulations, rules, and operations with Federal law. As a condition of receiving administrative grants, each state's methods of administration must ensure payment when due.[8] The Department has always interpreted "when due" in Section 303(a)(1), SSA, to require accuracy to ensure that payments are not made when they are not due.[9]

All state laws must provide or be interpreted in such a manner that a claimant must meet week-to-week eligibility requirements to receive benefits. Claimants certify their weekly eligibility status when claiming benefits. Generally, claimants must be able to work, be available for work, register for employment services, report when directed to the state agency, and actively seek work. Some states provide dependent allowances in certain instances. Finally, claimants may be subject to a reduction in benefit amounts payable based on any benefit year earnings (partial employment) or deductible income received (i.e., pension payments, vacation pay, severance payments).

As a statistical survey, the BAM program uses standardized questionnaires to gather information to determine improper payments and their causes. The surveys include claimant, employer, and third party interviews and are designed to identify potential eligibility or payment issues. When a potential eligibility or payment issue is identified that could affect the key week accuracy, the investigator must pursue and resolve the issue. In making determinations of eligibility, a BAM investigator must comply with the Secretary's Standard for Claim Determinations and apply all facets of federal and state

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[7] See https://unemploymentinsurance.doleta.gov/unemploy/conformity.asp and https://oui.doleta.gov/unemploy/pdf/partnership.pdf.
[8] Section 303, Social Security Act. https://www.ssa.gov/OP_Home/ssact/title03/0303.htm
[9] UIPL No. 04-01 (October 27, 2000) https://wdr.doleta.gov/directives/attach/UIPL4-01.cfm

law, administrative code, and official policy to the case findings to determine whether a key week payment is proper or improper (20 CFR 602.21(c)(4)).

Although the legal basis for determining whether a payment is proper or improper may be different from state to state, the BAM program relies on a standardized coding system to categorize improper payments[10] into major categories. The table below displays the common error cause codes and UI improper payment terminology.

Error Cause Codes	Cause Group Description
100 - 119; 150 -159	Benefit Year Earnings (BYE)
120 – 149	Deductible Income a.k.a. Sev./Vac./SSI/Pension
200 – 259	Base Period Wage Issues (BPW)
300 – 329	Separation Issues (SEP)
400 – 419	Able & Available Issues (A&A)
420 – 429	Work Search Issues (WS)
460 – 469	Employment Service Reg. (ES Reg)
430 - 459; 470 – 489	Other Eligibility Issues
500 – 519	Dependents' Allowances
600 – 639	Other Issues a.k.a. All Other Causes

(See PIIA_2021_Methodology_and_Program_Description for inclusions or exclusions to develop the various rates).

Since the February 2012 enactment of Section 303(a)(12) of the Social Security Act the claimants' failure to meet active search requirements has been one of the top three leading causes nationally. However, during the height of the COVID-19 pandemic period, most states suspended work search eligibility requirements for all or part of the PIIA 2021 reporting period.[11] These pandemic adaptations and other changes to the work search eligibility requirements resulted in redistribution of overpayment root causes in PIIA 2021. ETA anticipates the cause rates to return to their historical pattern as states reinstate work search requirements.

UIPL No. 24-21[12] requires states to analyze their BAM data to identify the top root causes for improper payments and to develop strategies that will be effective in reducing or recovering improper payments. The following chart displays the percent of the dollars overpaid by integrity rate and cause category. The distribution of the causes for UI overpayments and the total amount overpaid varies considerably among the three overpayment integrity rates. The elements included or excluded from the various rates

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[10] https://wdr.doleta.gov/directives/attach/ETHandbook_395_Ch5_acc.pdf, Chapter V, pp. V-5 through V-7
[11] Section 4102 (a) of the Families First Coronavirus Response Act, Division D Emergency Unemployment Insurance Stabilization and Access Act of 2020, created Section 903 (h)(3) of the Social Security Act that encouraged states to waive their work search requirements to respond to the COVID-19 pandemic. See also UIPL No. 10-20, March 12, 2020; and UIPL No. 13-20, March 22, 2020; provided states the authority to waive work search requirements during the pandemic.
[12]https://wdr.doleta.gov/directives/corr_doc.cfm?DOCN=5733

influence this cause distribution.

PIIA 2021 Overpayments (OP) by Cause and Integrity Rates Percent of the Estimated Dollars Overpaid			
Cause	Overpayment Rate	Fraud Rate	Agency Responsible Rate
Benefit Year Earnings	33.044%	45.607%	10.335%
Separation Issues	32.008%	19.326%	46.490%
Other Eligibility	15.876%	23.383%	22.826%
Able+Available	8.868%	6.886%	8.584%
Other Issues	6.813%	3.553%	6.688%
Base Period Wage Iss.	3.662%	0.448%	1.850%
Sev./Vac./SSI/Pension	2.609%	0.789%	2.152%
Work Search	1.940%	0.007%	0.631%
ES Registration	1.671%	0.000%	0.354%
Dependents Allowance	0.201%	0.000%	0.091%
Total $ Overpaid by Rate	$19,176,784,352	$8,501,131,348	$7,694,143,197

An analysis of the top three causes nationally – Benefit Year Earnings, Separations, and Other Eligibility issues -- is outlined below.

For a detailed listing of these rates for each state, click on the following link (note: the spreadsheet may have several pages or worksheets):
PIIA_2021_Integrity_Rates_by_Cause.xlsx

Benefit Year Earnings Issues

As displayed in the PIIA 2021 Overpayment by Cause and Integrity Rates table above, unreported or misreported benefit year earnings (BYE) were the leading cause of UI overpayments in the 2021 reporting period. BYE errors account for 45.607 percent of UI fraud overpayments and 33.044 percent of the overpayments included in the Overpayment Rate. However, BYE errors represent a smaller portion (10.355 percent) of the Agency Responsible rate.

Cause Benefit Year Earnings	Overpayment Rate	Fraud Rate	Agency Responsible Rate
Estimated Amount Overpaid due to BYE errors	$6,336,734,634	$3,877,123,577	$795,158,696
Estimated Total $ Overpaid by Rate	$19,176,784,352	$8,501,131,348	$7,694,143,197
Percent of BYE Overpaid to Total $ Overpaid	33.044%	45.607%	10.335%

The UI system is designed to maintain and to encourage claimant attachment to the workforce overall and to their previous employers when feasible. The system does this by allowing partial benefit payments, which are reduced for BYE in each week earned. Weekly benefit amounts may be reduced as a result of wages, commissions, bonuses, tips or gratuities, odd jobs or self-employment income, and through Short-Time Compensation programs (also known as Workshare).[13] Because UI benefits only replace a portion of the claimant's previous base period wages[14], states have devised various earnings disregard and benefit reduction provisions.[15] Ultimately, these payment adjustments require accurate reporting of these earnings. Generally, claimants are required to report income when earned (not when paid) and claimants are required to report gross earnings, not net earnings. This benefit year earnings reporting procedure is part of the continued claims taking process (See claim filing methods by state PIIA_2021_Claim_Filing_Methods.xlsx) and is generally automated.

The BAM program collects data for several important UI eligibility criteria before and after the investigation. Claimant earnings and adjustments to the claimant's weekly benefit amount (WBA) for the paid week investigated by BAM (referred to as the key week) can produce useful information related to BYE improper payments. The following table summarizes the earnings before and after data for BAM investigations. The table compares the information at the time the claimant received benefits to the findings after the investigation.

Count of KWs	Percent or $ amount	KW Finding and Outcome
PIIA 2021 Key Week (KW) Benefit Year Earnings (BYE) Analysis
22,502		Completed BAM Reviewed Cases
3,576	15.89%	Of the 22,502 KWs investigated, 15.89% or 3,576 had BYE initially reported for the key week
		Claimant Over Reported Earnings
362	10.12%	Of the 3,576 KWs with BYE, 10.12% or 362 had BYE over reported
	$63.12	$63.12 was the average amount BYE over reported in the key week
	$20.00	Median amount BYE over reported in the 362 KWs was $20.00
286 of 362	$37.14	Average benefit amount paid increased because BYE over reporting was $37.14
		Claimant Accurately Reported Earnings
2,100	58.72%	Of the 3,576 cases, 2,100 had BYE amounts accurately reported

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[13]Short-Time Compensation (STC) provides partial UC benefits to individuals whose usual hours of work are reduced to avert the layoff of workers. STC is a program that allows an employer to request UI agency approval of a plan that provides the STC benefits to those workers whose hours are reduced. For more information about STC see https://stc.workforcegps.org/.

[14] See Wage Replacement Ratios in the IPIA_2021_Base_Period_Wages_Report.xlsx spreadsheet

[15] 2021 Comparison of State Laws; Chapter 3 Monetary Entitlement; Table 3-8; pp. 3-19 to 3-20; https://oui.doleta.gov/unemploy/pdf/uilawcompar/2021/monetary.pdf

		PIIA 2021 Key Week (KW) Benefit Year Earnings (BYE) Analysis
	$252.18	Average amount of BYE accurately reported in the key week
	$211.00	Median amount of BYE accurately reported in the key week
1,724 of 2,100	$129.37	Average amount in 1,724 KWs with accurate reporting of BYE had the benefit amount paid reduced $129.37
		Claimant Under Reported Earnings
1,114	31.15%	Of the 3,576 cases with earnings, 1,114 had BYE under reported
	$164.49	Average amount BYE of under reported in the key week
	$74.00	Median amount BYE of under reported in the key week
995 of 1,114	$95.28	Average amount Benefit paid decreased because BYE under reporting
		Claimant Reported No Earnings
18,926	84.11%	Of the 22,502 cases, 18,926 had no BYE initially reported
		Claimant Failed to Report Earnings
1,216	6.65%	Of the 18,926 KWs, 1,216 not reporting KW BYE actually had BYE
	$631.39	Of 1,216 KWs the average unreported or concealed BYE amount was $631.39
	$451.00	Median unreported or concealed BYE amount in the KW was $451.00
1,063 of 1,216	$269.71	In 1,063 of the 1,216 KWs benefits paid were reduced an average amount $269.71 because the failure to report BYE

In IPIA 2021, the BAM program reviewed 22,502 key weeks. From these 22,502 paid weeks, 18,926 or 84.11 percent of the weeks selected had no benefit year earnings reported at the time of payment. From these 22,502 paid weeks, 3,576 or 15.89 percent of the weeks investigated had benefit year earnings reported at the time of payment. Slightly more than 58.72 percent (2,100 weeks) of the 3,576 key weeks with benefit year earnings reported, were accurately reported. However, in 1,114 of the 3576 key weeks or 31.15 percent with earnings reported, the claimant under-reported earnings (claimant earned more than actually reported). In 362 key weeks (10.12 percent) of the 3,576 key weeks with earnings reported, the claimant over reported earnings (claimant earned less than what they reported).

Additionally, investigators found 1,216 weeks or 6.65 percent of the 18, 926 weeks with no benefit year earnings reported, actually had earnings, which should have been reported.

To address UI improper payments caused by BYE issues, ETA published enhanced Recommended Operating Procedures in UIPL No. 13-19, to provide SWAs with updated best practices on cross-matching with the National Directory of New Hires and the State Directory of New Hires. Also, in partnership with National Association of State Workforce Agencies' UI Integrity Center, ETA conducted research to determine if there are other tools in the market that can provide for earlier detection of UI improper payments, such as through use of financial data.

Separation Issues

Cause : Separation Issues	Overpayment Rate	Fraud Rate	Agency Responsible Rate
Estimated Amount Overpaid due to Separation errors	$6,138,089,962	$1,642,914,363	$3,576,976,174
Estimated Total $ Overpaid by Rate	$19,176,784,352	$8,501,131,348	$7,694,143,197
Percent of Separation Overpaid to Total $ Overpaid	32.008%	19.326%	46.490%

As displayed in the PIIA 2021 Overpayment by Cause and Integrity Rates table (page 10), issues involving the claimant's reasons for separating from work (separation issues) are the second leading cause of UI overpayments. They account for 32.01 percent of the overpayment rate and 19.33 percent of the fraud overpayments. Separation issues are the leading cause (46.49 percent) of the amount overpaid for which the agency had full or partial responsibility.

Overpayments attributable to separation issues involve inadequate or inaccurate claimant and/or employer regarding the reason for the claimant's separation from employment. They involve claimants who are initially determined eligible, but due to later information of a disqualifying job separation (such as quitting a job without good cause or being discharged for misconduct under the state UI law) are subsequently determined to be ineligible. The SWAs have the crucial responsibility of identifying and pursuing separation issues, conducting fair and impartial fact finding hearings, and determining whether the employment separation is disqualifying. Separation fact finding hearings involve input from both employers and claimants and the facts may be disputed. In some instances, the UI Agencies contribute to separation improper payments.

Cause	Agency Responsible Rate- Prior Agency Action	Estimated Amount
SEP	(30) SWA Took Incorrect Action	$327,808,549
SEP	(40) SWA Had Documentation - Did Not Resolve Issue	$2,188,963,188
SEP	(50) Procedures Not Followed Preventing Detection	$875,960,889

The Benefits Timeliness and Quality guide sheets 1 and 2 in the ET Handbook No. 301, 5th Edition show the complexities of fact finding and the central role SWA play in determining eligibility. However, the process demands employers and claimants provide complete, accurate, and timely facts to adjudicators, so the state can appropriately apply the law.

To address UI improper payments caused by separation-related issues, the State Information Data Exchange System (SIDES) was developed by states with funding from the ETA and input from states, employers, and third party administrators. It is designed to enable more rapid and accurate communications between SWAs and employers,

resulting in better initial eligibility determinations and a reduction in UI improper payments. While SWAs' and employers' participation in SIDES is voluntary, currently, 50 of the 53 SWAs are using SIDES. The Department's Office of Inspector General found SIDES has contributed to reductions in separation-related improper payment rates in SWAs sampled during a recent audit and recommended greater employer use of SIDES.[16]

Other Eligibility Issues

Cause : Other Eligibility Issues	Overpayment Rate	Fraud Rate	Agency Responsible Rate
Estimated Amount Overpaid due to Other Eligibility errors	$3,044,543,307	$1,987,821,143	$1,756,271,790
Estimated Total $ Overpaid by Rate	$19,176,784,352	$8,501,131,348	$7,694,143,197
Percent of Other Eligibility Overpaid to Total $ Overpaid	15.876%	23.383%	22.826%

As displayed in the PIIA 2021 Overpayment by Cause and Integrity Rates table (page 10), Other Eligibility issues are the third leading cause of UI overpayments. This is the first year Other Eligibility Issues have been in the list of top three root causes of improper payments. They account for 15.88 percent of the overpayment rate and 23.38 percent of the fraud overpayments and 22.83 percent of the agency responsible rate.

Error Cause Codes	Cause Group Description
430 - 459; 470 – 489	Other Eligibility Issues

The Other Eligibility Issues cause group includes overpayments related to; 430 = Refusal of suitable work, 440 = Self-employment, 450 = Alien Not Authorized to work, 470 = Other causes related to eligibility issues, and 480 = Claimant filed UI claim using the identity of another person – Identity Theft.

Cause : Other Eligibility Issues	Overpayment Rate	Fraud Rate	Agency Responsible Rate
Estimated Amount due to ID Theft Overpayments	$1,737,992,992	$1,737,992,992	$901,257,952
Estimated Amount Overpaid due to Other Eligibility errors	$3,044,543,307	$1,987,821,143	$1,756,271,790
Percent of Other Eligibility as Identity Theft Fraud	57.09%	87.43%	51.32%

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[16] https://www.oig.dol.gov/public/reports/oa/2017/04-17-003-03-315.pdf

Overpayment Responsibility by Integrity Rate

The BAM program identifies the party or parties responsible for all payment errors. As with cause, the distribution of overpayment responsibility varies considerably by integrity rate. The BAM investigator attributes responsibility to various parties based on their actions or inaction. Improper payment responsibility may be assigned to one or more parties.

Eligibility for UC is determined on a week-by-week basis. During a continued claim series, a claimant must certify continuing eligibility for each week. The SWA makes continued benefit payments based on the presumption of eligibility and the claimant's ongoing certification that requirements have been met. However, if a question of eligibility arises, the SWA is required to conduct an investigation to establish evidentiary facts and make a subsequent determination of eligibility or ineligibility.[17] Such a determination may affect past, present, or future benefit payments.

Overpayment Responsibility by Integrity Rates (Percent of Amount Improperly Paid)

Integrity Rate	Amount Improperly Paid	Claimant Only	Claimant + Employer	Claimant+ Agency	Employer Only	Agency Only	Clmnt+ Empl+ Agy	Employer + Agency	All Others
Over payment	$19,176,784,352	46.356%	10.850%	17.358%	1.450%	12.861%	3.419%	2.362%	5.345%
Fraud	$8,501,131,348	55.941%	11.318%	17.036%	0.091%	1.548%	3.123%	0.257%	10.684%
Agency Resp	$7,694,143,197			44.204%		33.207%	9.041%	6.592%	6.956%
Under payment	$813,869,689	31.593%	25.605%	8.015%	22.296%	6.227%	4.560%	1.242%	0.463%

The overpayment rate is the broadest measure of overpayments. Since claimants control much of the information used to establish the presumption of weekly eligibility, it is not surprising that as detailed in the above table, claimants alone were responsible for 46.36 percent of the dollars overpaid included in the overpayment rate. Errors resulting in overpayments that were attributed exclusively to the SWA accounted for 12.86 percent of the amount overpaid. The claimant and the agency were jointly responsible for an additional 17.36 percent of the dollars overpaid, and the claimant and employer were jointly responsible for an additional 10.85 percent of the dollars overpaid.

Claimants alone were responsible for 55.94 percent of the fraud overpayments. In identity theft claims, as discussed in UIPL No. 16-21, third parties may be included to reflect persons or entities that committed the Identity theft. For this reporting period third parties were responsible for almost 10.68 percent of fraud overpayments. The claimant and the agency were responsible for most all other fraud.

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[17] UIPL No. 04-01, "Payment of Compensation and Timeliness of Determinations during a Continued Claims Series" https://wdr.doleta.gov/directives/attach/UIPL4-01.cfm

The agency responsibility rate includes improper payments in which the agency had contributory responsibility. The SWA was solely responsible for 33.21 percent of the amount overpaid included in the agency responsibility rate. The agency and the claimant were responsible for 44.20 percent of this category of overpayments. State agencies shared responsibility with employers for 6.59% percent of the amount overpaid in this category; and for the remainder of the agency responsibility overpaid, the state shared responsibility with claimants, employers, or third parties.

For a detailed listing of these rates for each state, click on the following links (note: spreadsheets may have several pages or worksheets):
PIIA_2021_Integrity_Rates_by_Responsibility.xlsx
PIIA_2021_Overpayment_Rate_Cause_and_Responsibility.xlsx

Claimant Action Prior to Sample Selection for Overpayments

Responsibility for improper payments is assigned based on the action that various parties take on the payment. Prior claimant action provides additional details on improper payment responsibility and helps prioritize ways to prevent, reduce, and detect overpayments.

Continuing eligibility for UI is determined on a week-by-week basis. During a continued claim series, a claimant must certify their continuing eligibility for each week. Errors can occur anywhere in this business process. In the case of payment errors, BAM identifies the action that the claimant took prior to the sample selection. BAM assigns a code to indicate action(s) taken by the claimant affecting the payment error issue by recording the following actions:

- Claimant provided adequate and timely information to SWA for determination.
- Claimant provided adequate information to SWA after due date for determination.
- Claimant provided timely but inadequate information to SWA for determination.
- Claimant provided inadequate/incorrect information to SWA after due date for determination.
- Claimant did not respond to SWA request for information.
- SWA did not request the claimant to provide information.

Depending on the cause, BAM often finds claimants responsible for overpayments because they are a principal source of eligibility information. The data further emphasize the importance of verifying separation and earnings information with employers and conducting these verification actions.

For a detailed listing of this rate, click on the following link (note: the spreadsheet may have several pages or worksheets): PIIA_2021_Cause_x_Prior_Claimant_Action.xlsx

Agency Action Prior to Sample Selection for Overpayments

In the case of payment errors, BAM case reviews identify the action that the state agency took before the payment was selected for the BAM sample. Prior agency action provides additional details on improper payment responsibility and helps prioritize ways to prevent, reduce, and detect overpayments. In the case of payment errors, BAM identifies the action that the SWA took prior to the sample's selection.

At the time the SWA made payment, BAM found that 61.44 percent of overpayments were not detectable through normal agency procedures. The table below shows Overpayment Rate by prior agency action.

Overpayment Rate by Prior Agency Action	Percent of Dollars OP	Estimated Amount
Not detectable by normal procedures	61.440%	$11,582,294,378
State had documentation did not resolve the issue	23.008%	$4,365,904,429
Procedures not followed or forms not completed precluding ability to detect issue	8.321%	$1,795,094,486
State identified issue but took incorrect action.	4.874%	$995,216,264
State was in the process of resolving issue	2.026%	$376,262,742
State agency detected payment error using state or National Directory of New Hires crossmatch	0.178%	$35,795,214
State agency detected payment error with wage record crossmatch	0.135%	$25,462,433
Agency provided incorrect information	0.019%	$3,358,148
Total	100.000%	$19,179,388,094

For overpayments included in the overpayment rate, BAM estimates that $11.58 billion or 61.4 percent of the $19.18 billion of UI benefits overpaid were not detectable through normal agency procedures. BAM results indicate that the agency had sufficient information, but did not resolve the issue for $4.37 billion or 23.0 percent of the amount overpaid. The agency failed to follow its own procedures, which precluded the ability to detect the overpayment issue for an additional $1.8 billion or 8.3 percent of the overpayment rate dollars overpaid. The agency identified the overpayment issue but took the incorrect action in about $995 million or 4.9 percent of dollars overpaid. At the time BAM selected the sample, the agency had resolved or was in the process of resolving improper payments constituting 2.0 percent of the amount overpaid. Additionally, the agency identified 0.3 percent of these overpayments using new hire and wage benefit crossmatches.

Slightly more than 71.2 percent of the fraud overpayments were not detectable through normal agency procedures at the time the payment was made. The table below shows fraud overpayments not detectable at the time payment made.

Fraud Overpayments by Cause Classified Not Detectable at Time of Payment

Fraud Cause	Percent of Dollars Paid	Percent of Dollars OP	Estimated Amount
BYE	3.352%	39.117%	$3,325,377,353
Sep	1.068%	12.460%	$1,059,275,476
Other Elig	0.926%	10.806%	$918,632,347
A&A	0.408%	4.766%	$405,156,908
Other Issues	0.244%	2.853%	$242,523,126
Deductible Income	0.074%	0.858%	$72,963,840
BPW	0.029%	0.333%	$28,325,531
Work Search	0.001%	0.008%	$652,443
Total of Causes	6.102%	71.201%	$6,052,907,024

For the Agency Responsible Rate, BAM estimated SWA were responsible for approximately $7.69 billion in overpayments because the state agency had full or partial responsibility for the overpayment.

Agency Responsible Rate by Prior Agency Action	Percent of Dollars OP	Estimated Amount
State had documentation did not resolve the issue	60.584%	$4,465,200,098
Procedures not followed or forms not completed precluding ability to detect issue	21.963%	$1,849,506,106
State identified issue but took incorrect action.	12.750%	$1,023,483,122
Not detectable by normal procedures	2.669%	$209,245,227
State was in the process of resolving issue	1.909%	$133,844,470
State agency detected payment error using state or National Directory of New Hires crossmatch	0.067%	$9,077,490
Agency provided incorrect information	0.049%	$3,358,148
State agency detected payment error with wage record crossmatch	0.009%	$602,786
Total	100%	$7,694,317,447

Of these overpayments, the agency identified the issue but took incorrect action for 12.75 percent of the amount overpaid; the agency had documentation did not resolve the issue for 60.58 percent and did not follow procedures thereby precluding the SWA's ability to detect the payment error for 21.96 percent of the amount overpaid. The remaining overpayments for which the agency had full or partial responsibility were either not detectable through normal procedures at the time the payment was made or the agency had resolved or was in the process of resolving improper payments detected through crossmatches or the error was committed by another SWA. Again, we note there are structural due process requirements in the UI program that prevent stopping payment without an opportunity for the claimant and employer to be heard. These requirements are for good policy reasons and in many cases require the SWA to proceed with payment of benefits that may later be determined to be improper.

For a detailed listing of these rates for each state, click on the following links (note: spreadsheets may have several pages):

Employer Action Prior to Sample Selection for Overpayments

In the case of payment errors, BAM case reviews identify the action that the employer took before the payment was selected for the BAM sample. Prior employer action provides additional details on improper payment responsibility and helps prioritize ways to prevent, reduce, and detect overpayments. As discussed in the previous section, a majority of the overpayments included in the overpayment rate and fraud rate were undetectable by the agencies during their usual payment administration processes.

Although claimants provide most of the information that agencies use in determining eligibility for UI benefits, employers also provide critical information to the agencies. Employers provide wage information, which is used to calculate the claimants' monetary eligibility and weekly benefit payments. Employers also respond to notices of new initial and additional claims by providing information on the reason for the claimant's separation from work. Employers submit notices of new hires, which agencies use to detect claims filed by individuals who have returned to work. Employers also provide detailed information that may corroborate or contradict claimant-provided information on issues that affect eligibility, such as information concerning availability for work, work search, job refusal, and benefit year earnings.

BAM data show that prior employer action is a critical factor in the agency's ability to prevent or detect many overpayments. BAM assigns a code to indicate action(s) taken by the employer affecting the payment error issue and records the following employer actions:

- Employer provided adequate information to SWA in a timely manner for the payment determination.
- Employer provided adequate information after due date for payment determination.
- Employer provided inadequate/incorrect information in a timely manner for payment determination.
- Employer provided inadequate/incorrect information after due date for payment determination.
- Employer did not respond to request for information.
- Employer did not report claimant as a "New Hire" as required by law.
- Employer, as an interested party, was not requested by agency to provide information for determination.
- Not an employer-related issue.

Because the state agency uses employer-provided information in its eligibility determinations, the accuracy and timeliness of this information affect whether benefits were properly paid. The following table displays prior employer actions for each of the

integrity rates. The highlighted cells reflect employers' action that may lead to improper payments.

PIIA 2021 Integrity Rates – Estimated Dollars Overpaid by Prior Employer Action

	Overpayment Rate $	Fraud Rate $ Overpayments	Agency Rate $ Overpayments
Total Estimated Overpaid	$19,176,784,352	$8,501,131,348	$7,673,242,938
Prior Employer action as of the time that the payment was selected for audit			
Agency Did Not Request	$6,871,076,581	$3,466,151,321	$1,652,465,235
Adequate and Timely Information	$5,367,375,994	$2,497,176,275	$3,357,018,216
Not An Employer Related Issue	$2,642,446,495	$720,942,102	$1,113,496,646
Did Not Respond to request for info.	$2,690,916,885	$1,327,286,642	$942,347,754
Timely Inadequate/Incorrect information	$690,832,768	$108,846,976	$208,889,428
Did Not Report New Hire	$168,269,501	$116,587,087	$26,660,129
Adequate but Not Timely information	$534,559,304	$253,427,344	$352,172,070
Inadequate/Incorrect and Untimely	$211,306,824	$10,713,601	$20,193,460
Sum of estimated dollars overpaid where a different employer action may have produced a different outcome (employer prior action in yellow highlight)	$4,295,885,282	$1,816,861,650	$1,550,262,841
Percent of Total Dollars overpaid where a different employer action may have produced a different outcome	22.40%	21.37%	20.20%

The highlighted sections show estimated overpayments where a different employer action in response to a claim may have produced a different outcome. BAM estimates that employer actions contribute 22.40 percent of the overpayments included in the overpayment rate, 21.37 percent to the fraud rate dollars overpaid, and 20.20 percent of the overpayments included in the agency responsible rate. Overall, BAM data show that prior employer participation is an essential factor in the prevention or detection of many overpayments.
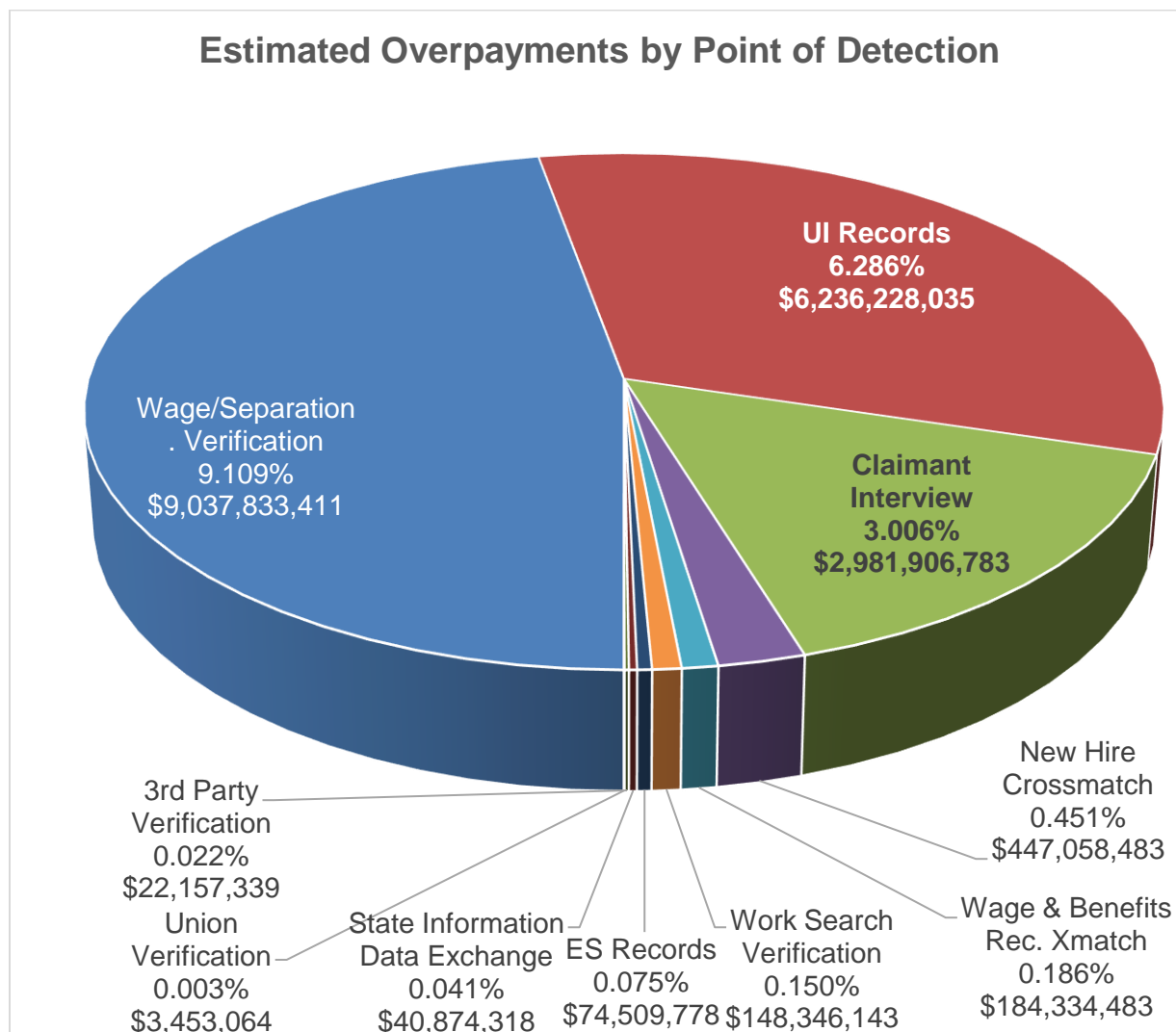
For a detailed listing of these rates for each state, click on the following links (note: spreadsheets may have several pages or worksheets):
PIIA_2021_Integrity_Rates_Cause_x_Prior_Employer_Action.xlsx

Point of Detection

BAM records the point in its audit process at which it first detects a payment error. BAM detects most payment errors by verifying base period wages, benefit year earnings, and separation information with employers. The data suggest that taking additional steps to secure employer information or to conduct more in-depth claimant interviews may impact overpayment amounts. For example, BAM found significant errors when payment information is corroborated with employers and through extensive claimant

interviews. Aggregate PIIA 2021 Point of Detection data are displayed in the following chart.

Estimated Overpayments by Point of Detection

Point of Detection	Percentage	Amount
UI Records	6.286%	$6,236,228,035
Wage/Separation Verification	9.109%	$9,037,833,411
Claimant Interview	3.006%	$2,981,906,783
New Hire Crossmatch	0.451%	$447,058,483
Wage & Benefits Rec. Xmatch	0.186%	$184,334,483
Work Search Verification	0.150%	$148,346,143
ES Records	0.075%	$74,509,778
State Information Data Exchange	0.041%	$40,874,318
3rd Party Verification	0.022%	$22,157,339
Union Verification	0.003%	$3,453,064

Within this framework, it is important to note that the BAM audit process differs substantially from normal UI operations in terms of cost, time, and effort. BAM exhausts all avenues in obtaining information. Normal UI operations make reasonable attempts to obtain information but must make determinations based on available information in order to make timely payments.[18] Therefore, this procedural difference may contribute to BAM identifying some of these overpayments which are not detected by the agency during the normal claims processes.

BAM also captures whether the agency had identified the overpayment at the time of sample selection. In many cases, the SWA has not taken action on the new hire crossmatch hit when BAM selects its case. This strongly suggests that SWA should

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[18] UIPL No. 04-01, and the associated content in UIPL No. 1145

review and improve their crossmatch workflow processes and adjust their crossmatch parameters to optimize new hire detections.

For a detailed listing of these rates for each state, click on the following links (note: spreadsheets may have several pages or worksheets):
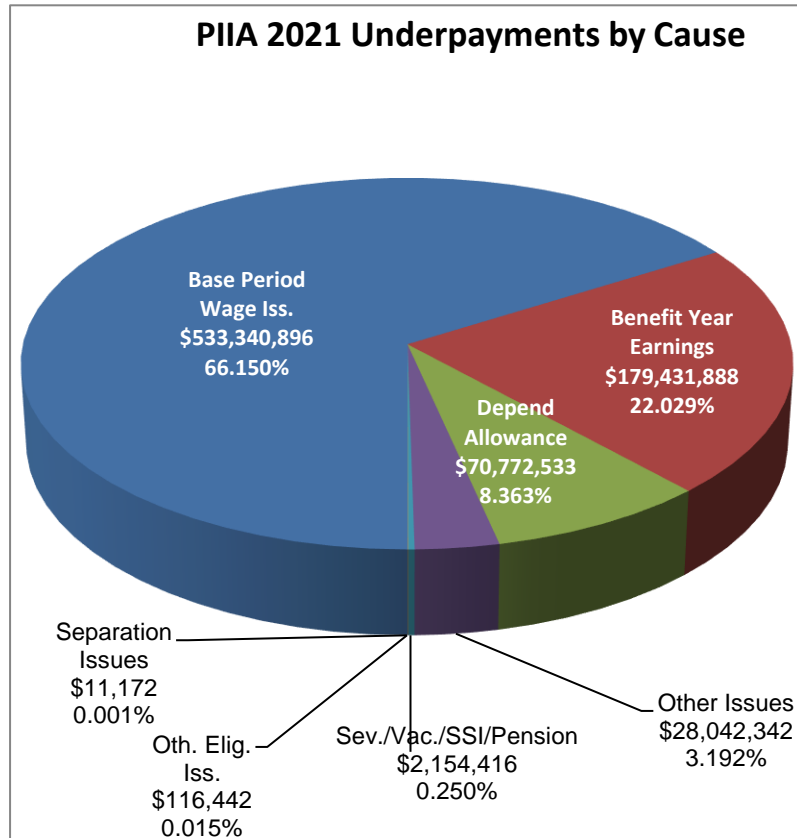PIIA_2021_Integrity_Rates_by_Point_of_Detection.xlsx

II. Underpayments

Underpayment Rate

PIIA requires estimates of underpayment rates, in addition to overpayments. BAM estimates that a total of $813.9 million was underpaid in PIIA 2021 compared with $90.96 million in IPIA 2020. PIIA 2021 data excludes technically proper underpayments.

As a percentage of benefits paid, the national underpayment rate of 0.820 percent, is almost twice the IPIA 2020 underpayment rate of 0.445 percent, State underpayments ranged from 0.000 percent in Arizona and Kansas to 3.785 percent in New Jersey.

As with overpayments, the BAM program captures the cause of and responsibility for underpayments. Errors in reporting or recording base period wages accounted for over 65 percent of the amount underpaid and represented 0.53 percent of the amount of UI benefits paid. These errors were the leading cause of underpayments.

PIIA 2021 Underpayments by Cause

Base Period Wage Iss. $533,340,896 66.150%

Benefit Year Earnings $179,431,888 22.029%

Depend Allowance $70,772,533 8.363%

Separation Issues $11,172 0.001%

Oth. Elig. Iss. $116,442 0.015%

Sev./Vac./SSI/Pension $2,154,416 0.250%

Other Issues $28,042,342 3.192%

Employers report employees' wages to SWAs each calendar quarter. SWAs use these wages in the calculation of a claimant's weekly benefit amounts and maximum benefit amounts. Instances in which the weekly benefit amount increases after the BAM investigation represent underpayments used to produce the portion of the estimate. To better align with the Department's position on equity in the UI program, new reporting and/or actions for underpayments are being considered.

The base period wage accuracy report shows the impact of misreported wages on benefit payments detailed in the Table below.

Accuracy Finding	Base Period Wages		Weekly Benefit Amount		Maximum Benefit Amount	
	% of Cases	Avg. Error	% of Cases	Avg. Error	% of Cases	Avg. Error
Correct	84.81%		93.69%		92.08%	
Understated	7.89%	($7,274)	3.30%	($55)	4.28%	($1,239)
Overstated	7.29%	$9,694	3.01%	$123	3.64%	$2,688
Total	100.00%		100.00%		100.00%	

(See PIIA_2021_Base_Period_Wages_Report.xlsx for individual state findings. The spreadsheet has several worksheets or tabs and includes worksheets for underpayment cause and responsibility.)

Errors in reporting or recording benefit year earnings (BYE) were the second leading cause of underpayments – accounting for 22 percent of all underpayments and 0.18 percent of UI benefits paid. Generally, claimants can work and earn wages while collecting UI benefits as long as they report their earnings. However, weekly UI payments may be adjusted downward based on claimant reported earnings. For many of these underpayments, the claimant may have over reported their weekly earnings and, because of this error, BAM found that UI benefit amount paid was too small.

PIIA Period July 1, 2020 through June 30, 2021 Key Week Benefit Year Earnings (BYE) Analysis		
Count of KWs	Percent or $ amount	KW Finding and Outcome
22,502		Completed BAM Reviewed Cases
3,576	15.89%	Of the 22,502 cases completed, 3,576 initially reported key week BYE
		Claimant Over Reported Earnings
362	10.12%	Of the 3,576 cases with earnings, 362 had BYE over reported
	$63.12	Average amount BYE over reported in the key week
	$20.00	Median amount BYE over reported in the key week
286 of 362	$37.14	Average benefit amount paid increased because BYE over reporting

Errors in awarding dependent allowance was the third leading cause in paying the correct benefit amount due under state law. Only thirteen states have dependent allowances provisions and they have varying dependents allowance amounts and definitions of a dependent. This issue accounts for 8.4 percent of all underpayments and 0.07 percent of UI benefits paid

As with overpayments, the BAM program captures the responsibility for underpayments. The chart below shows the distribution of underpayment responsibility. Employers alone were responsible for $175,610,322 or 22.23 percent of amount underpaid, which represented 0.18 percent of the amount of UI benefits paid.

BAM Estimated Underpayments by Responsibility IPIA 2020 (CY 2020 Qtr. 3 to CY 2021 Qtr.2)			
Responsibility	Percent of Dollars Paid	Percent of Dollars UP	Estimated Amount
Claimant Only	0.262%	31.593%	$259,879,355
Claimant + Employer	0.198%	25.605%	$196,378,234
Employer Only	0.177%	22.296%	$175,610,322
Claimant + Agency	0.076%	8.015%	$75,755,996
Agency Only	0.059%	6.227%	$58,258,591
Clmnt+Empl+Agy	0.035%	4.560%	$34,458,235
Employer + Agency	0.010%	1.242%	$9,968,982
All Others	0.004%	0.463%	$3,559,969
Total	0.820%	100.00%	$813,869,684

The underpayments estimated from BAM paid claims samples represent underpayments only for those claimants who were originally found eligible for UC by the state. Claimants alone were responsible for 31.6 percent of the amount underpaid, which represented 0.26 percent of the amount of UI benefits paid. Because SWAs often send out confirmations to the claimant and base period employers at the time of monetary determination, responsibility for these types of underpayments is distributed among all of the parties as detailed in the above Table.

For a detailed listing of these rates for each state, click on the following links (note: spreadsheets may have several pages or worksheets)
PIIA_2021_Base_Period_Wages_Report.xlsx

Denied Claims Accuracy

Improper Denial Rates - BAM estimates the percentage of claimants improperly denied benefits. This rate includes three subcategories: monetary denials, separation denials, and nonseparation denials. The BAM program does not assign a dollar estimate to improper denial rates; however, improper denials are corrected when permitted by law. For PIIA 2021, based on operational flexibilities regarding sampling granted SWAs due to the COVID-19 pandemic, ETA will not be publishing improper denial rates. Only seven states continuously sampled denials during this period.

Links to Additional BAM Paid and Denied Claims Data and BAM Methodology

Integrity Rates*
- PIA_2021_Integrity_Rates_all_states.xlsx
- IPIA_2020_-PIIA_2021_Integrity_Rate_Changes.xlsx

Integrity Rates - Cause / Responsibility*
- PIIA_2021_Integrity_Rates_x_Cause.xlsx
- IPIA_17_PIIA_21_Overpayment_Rate_by_Quarter_&_State.xlsx
- PIIA_2021_Integrity_Rates_by_Responsibility.xlsx
- PIIA_2021_Overpayment_Rate_Cause_and_Responsibility.xlsx

Integrity Rates - Prior Action / Point of Detection*
- PIIA_2021_Integrity_Rates_Cause_x_Prior_Agency_Action.xlsx
- PIIA_2021_Cause_x_Prior_Claimant_Action.xlsx
- PIIA_2021_Integrity_Rates_Cause_x_Prior_Employer_Action.xlsx
- PIIA_202!_Integrity_Rates_by_Point_of_Detection.xlsx
- PIIA_2021_Claim_Filing_Methods.xlsx

Underpayments *
- PIIA_2021_Base_Period_Wages_Report.xlsx

BAM Methodology
- PIIA_2021_Methodology_and_Program_Description
- PIIA_2021_Method_Claimant_Information_Obtained.xlsx
- PIIA_2021_Report_State_Contacts.xlsx
- ET_395_Handbook_5th_Edition_BAM_State_Operations_Guidance
- Code_of_Federal_Regulations-Quality_Control_in_the_Federal_State_UI_System

Other References
- Comparison_of_State_Unemployment_Insurance_Laws_IPIA_2020
- Significant_Provisions_of_State_UI_Laws_January_PIIA_2021

* Note: the spreadsheets may have several pages or worksheets

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